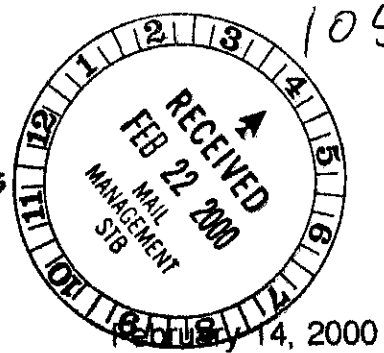


**MATX, INC.**  
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Tel 847-922-9103  
Fax 719-576-1976



Secretary  
U.S. Surface Transportation Board  
1925 K Street, N. W.  
Washington, D.C. 20423-0001

RE: Finance Docket #33842

Dear Secretary,

My company, MatX, Inc., uses the following rail transportation to ship approximately 44,500 tons of goods per year: the Union Pacific Railroad, the Iowa Northern Railroad, the Elgin Joliet & Eastern Railroad, the Peoria & Pekin Union Railroad, the Illinois Midland Railroad and the I & M Rail Link.

My view is that the industry needs a merger hiatus of several years to strengthen its capital positions. My reasons are as follows:

While mergers ultimately promote strong benefits (better, more timely service, improved availability of locomotion, better utilization of manpower, and more sophisticated technology adapted to the delivery of service), the process takes time. Initially, capital employed to continue improvement in delivery of service to customers goes directly to the merger efforts. For example, only in the last year have we begun to see the benefits of the past mergers, originally triggered by the joining of BN and SF.

Because of this situation in which mergers tend to initially divert massive capital needed for important improvements, North America's railroads do not need another merger as proposed by BN/SF/CN at this time. If consumated, it would lead to other major rail systems finding it necessary to merge to protect their own competitiveness. The industry needs time at this point to directly employ its capital toward steady improvement on service, equipment and roadbeds. Delay the merger!

I applaud the Board for its decision to solicit public comment and to hold a hearing before BN SF and CN file their application. The industry needs to stabilize and improve overall before further consolidations are undertaken.

Very truly,

E. R. Kamm  
President

cc: Chris Wilcox  
Robert M. Toy